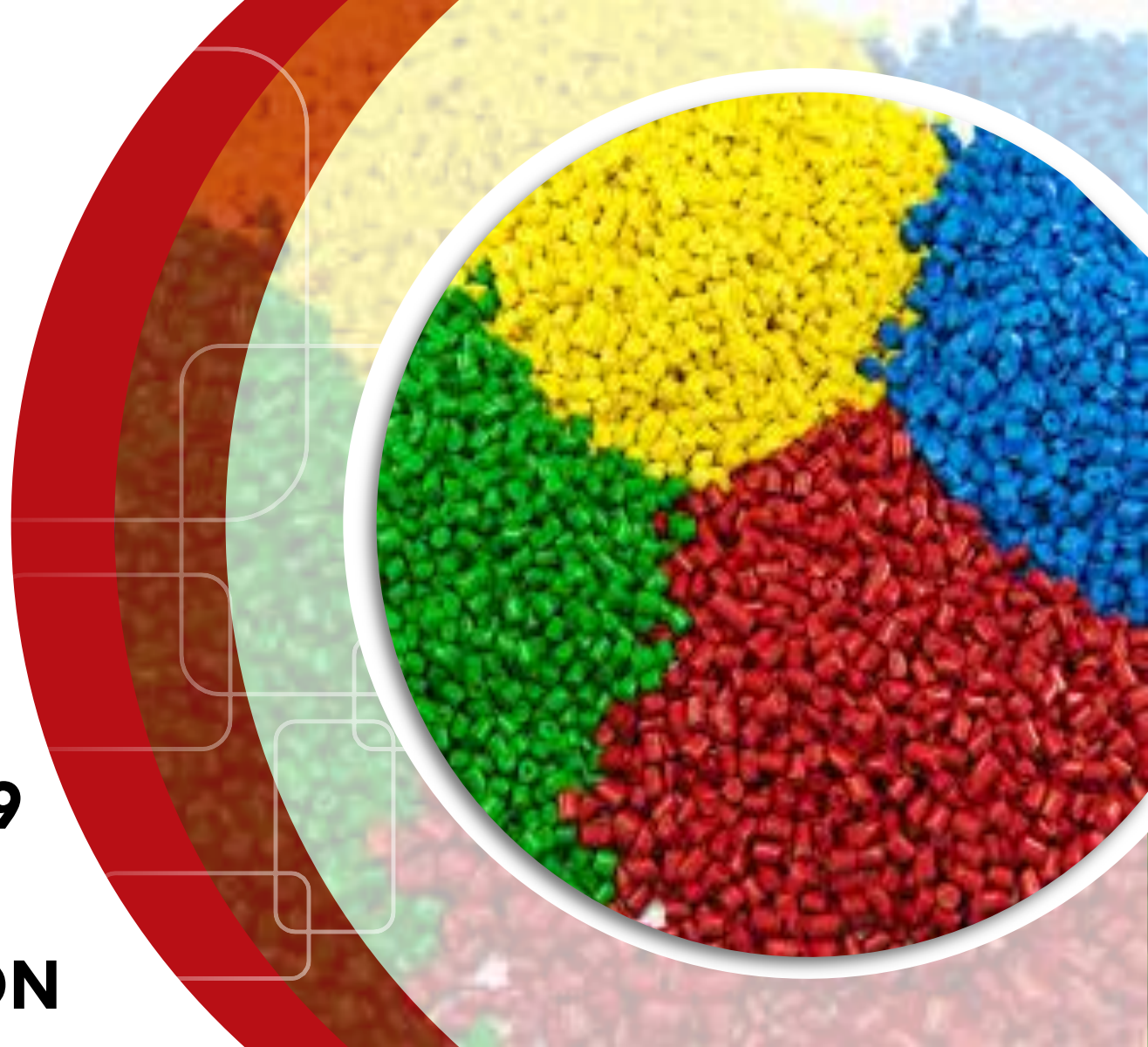




November 2, 2018

Q2 & H1 FY19 RESULTS PRESENTATION



Disclaimer

Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local political or economic developments, technological risks, and many other factors that could cause actual results to differ materially from those contemplated by the relevant forward looking statements. Ester Industries Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.



Q2 & H1 FY19 Performance Overview



Financial Summary

➤ Revenue from operations up 25%; EBITDA expansion of 74%; PAT of Rs. 15 cr

| | H1 FY19 | H1 FY18 | | |
|---|---------|---------|----------|---|
| ↑ | 503 | 402 | Revenues | Strong performance of Film business – steady demand and better realizations contributed majorly to the top line growth of 25%. Specialty Polymer and Engineering Plastics contributed to the overall growth |
| ↑ | 54 | 31 | EBITDA | EBITDA expansion of 74% on the back of higher revenues and stringent cost controlling measures. Undertaking multiples steps to contain operating expenses. |
| ↑ | 15 | (0.8) | PAT | Higher revenue growth coupled with cost rationalization measures resulted in profitability growth from a loss of Rs. 0.79 crore to PAT of Rs. 14.69 crore |

Figs in cr.

Business wise Financial Performance

- Polyester Film business continues to deliver strong growth – Demand and Realisations remain steady
- Specialty Polymer and Engineering Plastics business to contribute to the overall revenue growth of the business

H1 FY19 v/s H1 FY18 Performance

| | Revenues | | EBIT | |
|-----------------------------|----------|-------|--------|-------|
| | Rs. cr | % | Rs. cr | % |
| Polyester Film* | 382 | 38% | 51 | 115% |
| Specialty Polymers | 20 | (23%) | 4 | (30%) |
| Engineering Plastics | 101 | 25% | 5 | (22%) |

Figs in cr.

* Including sale of Polyester Chips

Polyester Films – Steady demand & realisations coupled with improved product mix continue to result in revenue expansion. Working towards increasing the share of value added products in the overall mix – to help drive future growth

Specialty Polymers – Lower off-take continue to drag the overall performance. Undertaking steps towards reviving the business. Continue to develop innovative products

Engineering Plastics – Steady performance during the quarter. Higher input prices though impacted margins. Working towards increasing the share of value added mix



Commenting on the results, Mr. Arvind Singhania, Chairman, Ester Industries said

"We have had a good first half to the year wherein we have seen revenues and profitability both expand at a brisk pace largely owing to the strong performance of our Film business. In addition to the improving sector dynamics, our efforts towards improving the product mix by focusing on developing value added products should help in maintaining the business momentum going forward as well.

Specialty Polymer business continues to remain soft owing to lower product off-take. Despite the recent sluggishness, we continue to believe in the business' potential and its ability to significantly alter the overall profitability profile of the business. We continue to maintain strong product portfolio and remain committed towards strengthening the product pipeline. Engineering Plastics business on the other hand continue to remain steady, contributing positively to the overall revenue and profitability of the business. We expect the trend to continue if not better in the future given our focus on improving the share of value added product in the overall mix.

Going ahead, we believe the strong performance of the Film business ably supported by Specialty Polymers and Engineering Plastics will create consistent growth and value for our shareholders."

Specialty Polymers



Specialty Polymer – The Catalyst



High entry barriers -
Patent protected
business (Product &
process)

7

Patents
filed

18

Product
portfolio

30,000 MTPA

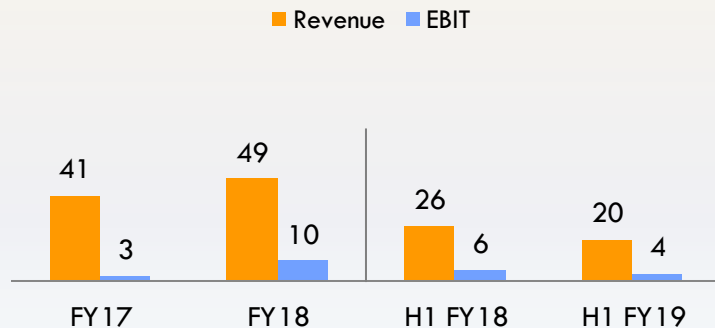
Production Capacity

20%+

Margins on achieving
of adequate scale of
operations

Specialty Polymers

Figs in cr.



- Muted performance during the first half owing to lower product off-take
- Product pipeline remains strong; continue to strengthen R&D and executional capabilities
- Key growth driver for the business in coming years

- Product portfolio - 18 products at various stages of development of which patents have been filed in respect of 7
- High entry barriers protected by Intellectual Property rights
- Existing Product Portfolio –
 - Product Stain resistant Master Batch – Positive response from the customers; ramping up sales
 - Master batch for a Cationic Dyeable Yarn - Patent filed under PCT for a Master Batch to produce specialized polyester yarn. Gaining strong potential in China and Taiwan

Patent Status

| Product Code | Product Description | Status of Patent | Product approval from customer | Application |
|--|-------------------------------------|--|---|--|
| ESTER HR-03 | Hot Fill PET by normal ISBM | Filed in India, Europe, Korea, USA (granted), Mexico, Japan & China, PCT | Approved | Packaging |
| ESPET MB-03 | Masterbatch Sulfonated PET | Filed in India, Europe, Korea & USA (granted) PCT | Approved | Stain Resistance in Nylon Carpet |
| ESPNB | Clear PBN | India, PCT, USA & EU | Under Trials | Monolayer and Multilayer Containers |
| ESPET HR-01 B3 | Beer Keg PET | India, PCT, USA & EU | Under Trials | Monolayer containers/Kegs |
| ESPET MW-01 | Microwaveable PET | India, PCT, USA & Europe | Under Trials | Extrusion and thermoforming |
| ESPET FR-10 | Flame Retardent PET | India, PCT | Approved | Flame retardant master batch for PET Polyester in textile (PFY/PSF) & Film application |
| ESPET MB-06 R3 & ESPET MB-07 R7 | Easy Dyeable & Cationic Masterbatch | India , PCT | MB-06 R3 - Under Trial MB-07 R7 - Approved | Deep and Dark dyeability in Textile |

Specialty Polymers – Products & Applications

Products

Polyethylene Terephthalate (PET)

Polybutylene Terephthalate (PBT)

Polyethylene Naphthalate (PEN)

Master Batches

Applications

Rigid Packaging – Hot-fill / Beer Kegs

Textile – Flame Retardant

Carpets – Stain Resistant Master Batches

Heat Sealable

Engineered Plastics / Injection Moulding

Low Melt Polymers for Textiles



Polyester Films



Polyester Film – “De-Commoditizing”



De-commoditizing the business by changing product mix



Mfg. Capacity -57,000MTPA Polyester Films & 13,200 MTPA Metalized polyester films



Improving sector fundamentals – Better pricing environment; limited capex planned over the next 2 years

#56

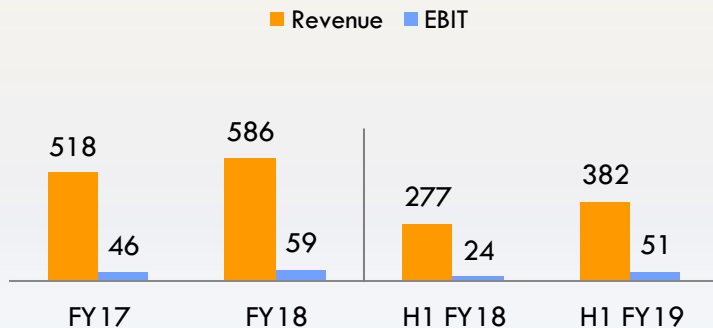
No. of countries (exports)

~35%

Share of value added product (FY 20) from ~20% (FY18)

Polyester Films

Figs in cr.



- Improving sector dynamics: Demand – Supply equilibrium resulting in stable and better pricing environment
- Steady demand coupled with improved product mix and pricing environment resulted in revenue growth of 38%

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Business highlights

- Manufactures and markets polyester films under the brand “**UmaPET**”
- **Manufacturing capacity** - 57,000 MTPA for polyester films & 13,200 MTPA for metalized polyester films
- **Integrated player** – Polyethylene Terephthalate (Polyester) chips manufacturing capacity 67,000 MTPA
- **Global Footprint**: Formidable reach across more than 56+ countries
- Value Added & Specialty products include transparent barrier film, shrink film etc.
- Thrust on increasing proportion of value added & specialty products in overall mix by focusing on innovation, development and partnership with customers both in India and overseas which will reduce the effect of inherent cyclicality

Industry Dynamics turning for the better

- Demand – Supply equilibrium (Domestic)
- Limited Capacity addition in near term
- Better pricing environment

Company specific initiatives

- Working towards increasing the share of value added products – ~35% by FY20
- No additional capacities expected to come on stream over the next few years

Polyester Films – Products & Applications

| Products | | | Applications |
|----------|------------------------|---------------|--------------------|
| | White Opaque | High Clear | Flexible Packaging |
| | High Barrier | Embossable | Barrier Packaging |
| | Heat Saleable | Twist Wrap | Embossing |
| | Shrink film | Anti - Static | Lidding |
| | Metalized High Barrier | Matte | Label & Graphics |



Engineering Plastics



Engineering Plastics – “Deliver better Return ratios”

#250

Product Portfolio

13,500MTPA

Mfg. capacity

“Estoplast”

Products marketed
under the brand



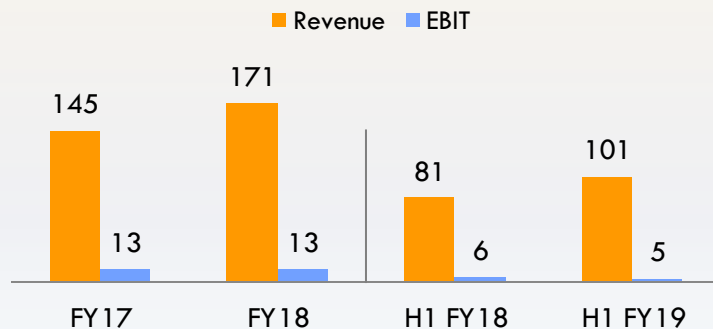
“Fastest Growing Enterprise
Processing (Engineering Polymers)”
at the Plastindia Exhibition in
February 2015



Improving product mix
to improve margin
profile & return ratio

Engineering Plastics

Figs in cr.



- Business continues to perform well, contributing steadily to the overall revenue growth
- Higher input prices resulted in profitability compression
- Working towards increasing share of high margin products in the overall mix

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- A well regarded manufacturer of Engineering plastics
- Diverse Product Portfolio – 250+ grades products marketed under the brand “ESTOPLAST”
- Manufacturing capacity - 13,500 MTPA
- Growing at better than industry run rate since the last 3 years
- Awarded the prestigious Plasticon Gold Award for the “Fastest Growing Enterprise – Processing (Engineering Polymers)” at the Plastindia Exhibition in February 2015

Engineering Plastics – Products & Applications

Products

Thermoplastic Polyester Compounds

Polybutylene Terephthalate (PBT)

Polyethylene Terephthalate (PET)

Polyamide 6 Compounds

Polyamide 6.6 Compounds

Applications

CFL Holders, Adapters & Sockets

MCB Case, Cover & other Parts

Handles

Knobs, Panels

Switches

Optical Fibre Sheathing

Textile Machinery Parts

Connectors



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About Us: (CIN :- L24111UR1985PLC015063)

Incorporated in 1985, Ester Industries Limited (EIL) is an ISO 9001:2008, ISO 22000:2005, TS16949:2002 certified Company engaged in the manufacture of polyester films, specialty polymers, engineering plastics and polyester chips with manufacturing facilities located in Khatima (Uttarakhand). A globally recognized player Ester manufactures and markets its polyester films under the brand 'UmaPET' and engineering plastics as 'Estoplast'. The Specialty Polymers business is driven by technology and innovation and the Company presently has many patent applications pending for this business. With state-of-the-art manufacturing plant, skillfully managed operations and a committed work force Ester continuously strives to meet commitments towards total customer satisfaction.